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TAGS: [PREL](#) [PGOV](#) [PINS](#) [PHUM](#) [TU](#) [EUN](#) [EU](#)

SUBJECT: FRENCH AND DUTCH "NO'S": MINIMAL INITIAL

CONSEQUENCES FOR TURKEY, BUT SIGNIFICANT CHALLENGES AHEAD

REF: ANKARA 3032

(U) Classified by Polcounselor John Kunstadter; reasons: E.O. 12958 1.4 (b,d).

1. (C) Summary: Ruling AKP and most pundits and media channels say they have taken the French and Dutch "no" votes in stride and opine that the results will not affect Turkey's Oct. 3 start date for EU harmonization. Markets have reacted in a similarly low-key way. However, in the midst of continuing GOT drift and inability or unwillingness to find a workable modus vivendi with core institutions of the Turkish State, a broad range of contacts sees considerable negative consequences for Turkey down the road. End summary.

2. (U) GOT leaders (e.g., FonMin Gul) and Turkish commentators and markets have reacted in a low-key way to the French and Dutch rejections of the EU Constitution.

3. (U) In May 30 comments to the press while on an official visit to Bahrain, Gul asserted that the French referendum has no bearing on Turkey's Oct. 3 accession harmonization start date. Initial Turkish market and political commentary has focused on what pundits see as the two salient aspects. First, that the French "no" stemmed more from anti-Chirac and anti-globalization sentiments than from anti-Turkish feelings. Second, that it is not the result of harmonization, i.e., possible membership, but perhaps not achievable for 10 years or more, but the process that matters.

4. (C) Having discounted the possible no votes in the week running up to the referendum, Turkish markets have thus shrugged off the implications in subsequent trading. While one of the leading London investment bank analysts of Turkey characterized this reaction as "cynical" in the face of what he sees as major difficulties ahead for the EU, Turkey's candidacy, and the Turkish economy, other analysts point to continuing high global liquidity still banking on Turkish EU convergence and pleased to take advantage of the relatively high Turkish yields.

5. (C) A survey of contacts among ruling AKP MPs reveals a standard line: the AKP government is determined to move ahead, preparations for the start of harmonization are broad and energetic, and the appointment of Economy Minister Babacan as chief negotiator was timely and appropriate.

6. (C) However, EU diplomats and Turkish political analysts point to significant challenges ahead for Turkey.

7. (C) In looking forward to Embassy Berlin's assessments, we turned to the German Embassy press attache, whose views are a bellwether for the EU diplomatic community here. Having noted the negative effect on the EU of the GOT's pressure to force postponement of an alternative-view university conference on the Armenian tragedy (reftel), he followed up May 30 with a two-pronged assessment of the French referendum consequences for Turkey.

8. (C) First, he predicted that a more self-absorbed EU will be less willing to abide Turkish slippage on reform. Second, Turkey appears to be its own worst enemy. In this regard, he returned to the problem of Turkish drift. PM Erdogan's "elusive" discounting of Justice Minister and GOT spokesman Cicek's menacing comments about the conference on the Armenian tragedy as merely Cicek's personal opinion does not answer the question of what the GOT's official view is. Schroeder's mania for stability (the press attache recalled that Schroeder's three honorary doctorates reflect his preferences since they are from universities in Russia, China, and Turkey, three countries which prize "stability uber Alles") may well be overridden by a keener post-German election focus on just how democratic Turkey is...or isn't.

9. (C) Pre-eminent Turkish national security analyst Faruk Demir, leading political analyst Aydin Kanat, and seasoned journalists with good contacts in both the political arena and core institutions of the State (e.g., "Sabah" Ankara bureau chief Asli Aydintasbas, "Hurriyet" columnist Sukru Kucuksahin) have all drawn our attention to other troubling aspects of the GOT's drift which are likely to affect the EU accession process.

10. (C) First is a willingness to provoke core institutions of the Turkish State in ways which challenge basic Ataturkist tenets of the Republic. The AKP government's passage of an amendment to the new penal code which in effect renders meaningless any sanctions against unregistered Koran courses is the latest in what has been a series of provocative steps aimed at the secular system as defined by the State (e.g., the fall 2004 attempt to criminalize adultery, the spring 2004 attempt to ease entry of graduates of Islamic preacher high schools into universities). Second is the AKP government's lack of vision or strategy to deal with poverty, corruption, the PKK, or the Kurdish question. These problems, together with the concern over attempts to undermine the secular order from within, are the ones CHOD Ozkok underscored in his landmark, nationally-televised April 20 speech as being of terminal concern to the Turkish State. Third, calling into more open question AKP's sincerity about EU accession, is the more and more open deprecation of the EU by Erdogan and others, with Erdogan expressing doubt May 30 to the AKP central executive board whether there would be an EU in 10-15 years.

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